California Department of Housing and Community Development

SB2 Planning Grants and Technical Assistance Program

Frequently Asked Questions

As of July 12, 2019

The SB 2 Planning Grants Program provides one-time funding and ongoing technical assistance to all eligible local governments in California to adopt, and implement plans and process improvements that streamline housing approvals and accelerate housing production. Eligible activities include updating a variety of planning documents and processes such as general plans and zoning ordinances, conducting environmental analyses, and process improvements that expedite local planning and permitting. The Planning Grants Program is funded through the Building Homes and Jobs Act Trust Fund (SB 2, Chapter 364, Statutes of 2017). The Department of Housing and Community Development (HCD) released a Notice of Funding Availability on March 28, 2019, which marked the start of the 8-month over-the-counter application period.

Below are frequently asked questions on the following topics:

Program

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Program Questions

	QUESTION	ANSWER
1.	Is the SB2 Planning Grant Program competitive?	No, this is a non-competitive program. As long as a local government (county or city) meets the threshold requirements, any locality is eligible for funding. Threshold eligibility includes housing element compliance, Annual Progress Report submittals for the current **or** prior year, a nexus to accelerating housing production for non-priority policy area activities, and actions consistent with the state and other planning priorities. For more information on threshold eligibility, please refer to the NOFA.
2.	Should I submit my application as soon as possible to ensure I receive funding?	The program utilizes an over-the-counter process with an eight-month application window ending on November 30, 2019. Projects funded by the grant must be encumbered by June 30, 2020 and funds must be expended by June 30, 2022. HCD encourages early applications to assure meeting encumbrance deadlines.
3.	How many grants can a jurisdiction apply for?	Each jurisdiction is eligible to apply for one grant and up to the maximum grant amount. An applicant can apply for multiple projects in the same grant application as long as they do not exceed the maximum grant amount allocated to their jurisdiction. Find out how much your jurisdiction is eligible for here.
4.	Will there be a supplemental round of funding?	If the planning grant funds are not fully awarded at the conclusion of the over-the-counter period (November 30, 2019), HCD may consider extending the over-the-counter period and/or have a supplemental funding round. For more information on a potential supplemental round, please refer to *Article V, Section 500* of the program guidelines.
5.	I have heard a lot about priority policy areas. What is a Priority Policy Area (PPA)?	In consultation with stakeholders, planners, developers, and local governments, HCD identified six policy areas that have a known positive impact on accelerating housing production in California. Among other benefits, a jurisdiction applying under a PPA is automatically deemed to meet a threshold requirement for accelerating housing production and will not need to complete attachment 2 of the application or provide additional documentation to demonstrate a nexus to housing production. Additionally, utilizing a PPA will streamline the application review process and make an applicant more competitive if there is a supplemental round of funding. For more information on PPAs, please refer to the NOFA.

		If you are unsure if your project qualifies under a PPA, please contact HCD or the regional liaison designated to your region.
6.	Can a city or county partner with another entity such as a city? Can a jurisdiction partner with other entities that are not a city or county?	HCD recognizes that solutions to housing include both regional and local collaboration. The program has been designed to encourage and allow for partnerships between cities, counties, regional governments, and other government entities. When partnering with another entity, the applicant should include a legally binding agreement, and specify on the application which partner is responsible for each task or subtask. Additionally, the maximum grant amount for applicants seeking partnerships with other local governments will be additive. For example, two large localities could submit a proposal for up to $1,250,000.
7.	If a jurisdiction partners with another jurisdiction, will they be allowed to apply for an increased grant amount?	When a jurisdiction partners with another jurisdiction the two applicants can pool their **allocated** grant amounts that have been identified in the NOFA. For example, City of Hope qualifies as a small city and is eligible to receive a maximum grant amount of $160,000 and partners with the County of Heroes who qualifies as a medium county and is eligible to receive a maximum grant amount of $310,000. Those two jurisdictions will be eligible to apply for a maximum grant amount of $470,000.
8.	How do I find out more information on the SB2 Year 2 funding?	SB2 Year 2 funding is now known as the Permanent Local Housing Allocation (PLHA) Program. HCD is currently in the process of developing guidelines to specify eligible activities and funding amounts. For more information please visit our website at http://www.hcd.ca.gov/policy-research/lhp.shtml Please refer all questions to PLHA@hcd.ca.gov
9.	How will the 50% homelessness funding be allocated for Year 1?	SB2 was revised through legislation in 2018 (SB 850, Statutes of 2018) to clarify the provisions around the homelessness portions of the fund. These provisions allocated 50 percent of the SB 2 funding dedicated to homelessness to the Housing for a Healthy California Program and 50 percent to the California Emergency Solutions and Housing Program (CESH), both administered by HCD. For more information on homelessness programs, please contact Catherine Kungu at Catherine.Kungu@hcd.ca.gov

Eligible Activities Questions

	QUESTION	ANSWER	EXAMPLE
1.	What types of projects can be funded?	The Planning Grants Program allows for a range of activities that can be implemented and will accelerate housing production and streamline housing approvals.	Eligible activities include, but are not limited to, general plans, community plans, specific plans, local planning related to implementation of sustainable communities strategies, local coastal plans, zoning ordinances, environmental analyses, local process improvements, and any other planning activities that can demonstrate a nexus to production. For more information, see Section 300 of the Guidelines.
2.	Is a housing element update an eligible activity?	Yes. Senate Bill 2 allows for a broad range of planning activities, including housing element updates. However, since the housing element is not a priority policy area, the applicant must demonstrate a nexus to accelerating housing production (attachment 2 in the application). HCD encourages applicants to couple a housing element update with other short-term planning activities that have a strong implementation component such as those projects that would fall within a PPA.	Examples of coupling a housing element update with short-term implementation activities include: • rezoning to permit by-right housing on identified housing inventory sites • other housing element implementation such as modifying development standards or reducing fees
3.	I am applying for funding to update my housing element, does HCD have any recommendations on how to fill out attachment 2?	To demonstrate a nexus to production, an application could pair the housing element with other short-term activities and utilize the anticipated outcomes from implementation actions in the housing element.	Examples of housing element implementation actions that can be used to demonstrate a nexus include quantified objectives from programs such as rezoning, modifying development standards, fee waivers and reductions, and permit process improvements. When possible, please quantify the anticipated results to demonstrate a nexus to accelerating housing production in attachment 2.

4.	Is a sites inventory an eligible activity?	The Planning Grants Program requires that funded activities have a strong implementation component and, where applicable, that planning documents be adopted by the locality. A sites inventory can be eligible when coupled with an activity more focused on implementation or as a subtask of a larger project.	Possible examples can include: • Sites inventory with a marketing and outreach plan to developers • Sites inventory with rezoning to permit by-right • Sites inventory with zoning incentives • Sites inventory with a robust infrastructure analysis and plan or implementing mechanism such as an Enhanced Infrastructure Financing District
5.	Can I use the funding for studies on these topics? • infrastructure • sites availability • parking • inclusionary housing	Background studies such as site analysis, feasibility studies, parking studies, etc., can be eligible for funding when they are ancillary and part of a larger proposed activity.	Possible examples can include: • Feasibility study as part of a rezone program or a specific plan • Study identifies discrete improvements (e.g., replacement or upgrade of a sewer line) needed to expand infrastructure capacity and facilitate additional development • Preliminary design and cost sharing study for region. (i.e. storm drainage, irrigation undergrounding) • Parking study to support adding residential to existing downtown and LCP modification
6.	Can I use the funding to do planning work on a specific site or a specific community in my locality?	Yes, as long as the site-specific work will yield a significant community-wide impact on housing throughout the jurisdiction.	Ways to broaden site-specific work to the level of a community-wide impact can include: • Overlay districts • Larger project-level specific plans • Site-specific planning documents to entitle housing projects that are of

			substantial size compared to the jurisdiction's growth needs • Development standards and zoning modifications that can apply to subsequent projects or other areas across the community such as downtown or transit corridor areas • Process improvement for a project that will yield an ongoing community-wide impact
7.	Preservation-related activities	Affordable housing preservation related activities could be eligible when paired with additional activities that have a net positive effect on accelerating housing production.	Possible examples can include: • Downzoning hazardous areas while upzoning other areas or coupling other incentives that are strategic for housing • Downzoning areas to preserve affordable communities while upzoning other parts of a city • Implementing an anti-displacement ordinance while upzoning in other areas
8.	Inclusionary housing	The statute allows for a range of planning activities, including planning documents for inclusionary requirements. However, all non-PPA activities such as inclusionary housing must demonstrate a nexus to accelerating production and cannot constrain development unless having a net and significant positive effect. Applicants are encouraged to couple activities like inclusionary housing with PPAs or other planning activities that demonstrate a stronger nexus to production.	Possible examples can include: • Streamlined permit process for inclusionary housing • Rezoning to permit multifamily by right • Adopting a specific plan with development and design standards and environmental review sufficient enough to allow subsequent tiering or streamlining

9.	Are there any planning activities I can do to encourage permanent supportive housing?	Local governments can do various planning activities that that encourage and facilitate the development of permanent supportive housing.	Examples include adopting an ordinance or establishing written procedures to allow permanent supportive housing without discretionary review in compliance with recent legislation (AB 2162).
For any questions around eligible activities and projects, HCD encourages you to contact your regional liaisons, the HCD SB2 team or the Office of Planning and Research to identify and discuss eligible projects. Contact information is also located on the SB2 PGP Webpage.			

Application Questions

	QUESTION	ANSWER
1.	What happens after I have submitted an application for review?	Once a jurisdiction has submitted their application, HCD will review for completeness, and that the applicant(s) meet threshold eligibility requirements. HCD intends to notify applicants within 30-60 days of HCD receiving the application regarding the status and if any additional information is needed for the application. When an applicant is approved for funding, HCD will issue an award letter and begin preparing and executing a standard agreement with the awardee.
2.	What if I'm not sure if my project falls under a PPA?	As part of the TA program, regional liaisons, HCD, and OPR are available to identify eligible activities, brainstorm ideas, and answer any questions about PPAs or other activities.
3.	I am applying for a project that falls under a PPA, do I still need to fill out attachment 2 (nexus to accelerating housing production)?	If you are applying for only an activity that falls under a PPA, you do not need to fill out attachment 2 (nexus). However, the project description must include a narrative about the anticipated outcomes for your project. For example, will this activity help increase certainty? Decrease the time it takes to get through the approval process? Decrease development costs? Increase housing units? Please include a description about what the anticipated outcomes you expect as a result of the project. For examples on this, please refer to the sample applications on the planning grant webpage.
4.	How long should a project description be in Section E of the application?	The length of the project description will depend on the scope of work and should be summarized sufficiently enough to convey the overall objectives and primary steps necessary to complete the project. Additionally, project descriptions should sufficiently support the project timeline.
5.	What happens if my application is denied? Do I need to resubmit an additional application?	Given that this is an over-the-counter process, HCD and TA providers will work with all localities to revise their applications to meet program requirements. Applicants will not need to resubmit as long as the application is not fundamentally altered within the authority granted by the resolution. Additionally, the Planning Grants Program TA teams are available to review draft applications before they are officially submitted.

6.	Can a locality apply for multiple projects on one application?	Yes. HCD is only accepting one application per jurisdiction. Please list all eligible projects you are applying for on **one** application.
7.	What is the difference between "partner" and "other" in Section F of the application?	In scenarios where an applicant is partnering with another entity, "partner" is a way to identify which entity is responsible for each task. "Other" could be an entity that is responsible for a task that is part of the larger project, but the specific task is not funded by the Planning Grants Program. For example, an applicant may be supplementing funds from Caltrans or the Department of Conservation to complete specific tasks of a larger project and using SB2 Planning Grants funding to complete the remaining task of the larger project. Another example of "other" is when an applicant is collaborating with entities that are part of a larger project but not funded by the SB2 Planning Grants.
8.	How detailed should the project timeline and budget in Section F of the application?	The project timeline should include high-level objectives (tasks) but be sufficiently detailed to demonstrate completion of the project. HCD will be reimbursing applicants based on the deliverables as stated in the Standard Agreement, which will be based on the project deliverables as shown in the application and the project description. An awardee can submit invoices for reimbursement quarterly based on deliverables completed in section F of the application.
9.	Do I include the total cost for the project or only the grant amount I am requesting?	The budget should include an estimated total cost of the entire project **and** the total grant amount you are requesting. Please add the total cost of the entire project in the "notes" section of the project timeline and budget.
10.	I need to add a few more items to the resolution, how can I do that while also making sure I follow the format recommended by HCD?	HCD strongly recommends that you follow the sample resolution provided in the application because it has been approved by HCD and includes all the information needed to process your application. If an applicant needs to add or change anything to the sample resolution, please refer to the resolution checklist on the Planning Grants webpage to maintain consistency with the sample resolution.
11.	Attachment 1: State planning priorities – How many of the state or other planning priorities does an applicant need to demonstrate consistency with?	An applicant is required to self-certify that their locality has been consistent with at least one "state" or "other planning priority" listed in Attachment 1 of the application. HCD encourages applicants to certify additional actions that meet planning priorities that the locality has completed within the last five years.

Grant Administration Questions

	QUESTION	ANSWER
1.	Can the funds be used to hire someone that will oversee the consultants work?	Yes, a <u>maximum</u> of 5% of the grant amount can be used for administrative costs or otherwise known as "soft costs."
2.	Can the funds be used to hire a staff person to implement the funded activities? Will the 5% cap on admin costs be applicable in this scenario?	Grant funds can be used to hire a staff person or a subcontractor to prepare, implement, and adopt the funded activity. The 5% cap on admin costs will not apply to staff that are working directly on preparing, adopting, and implementing the grant funded activities.
3.	When can a jurisdiction start incurring costs?	As noted in section 601 of the program guidelines, the applicant can begin incurring costs after the release of the NOFA (March 28, 2019). However, that does not guarantee funding, and an applicant is still required to submit an application for eligible projects. Only approved and eligible costs for work that incurred after the release of the NOFA and continued through the grant term will be reimbursable.
4.	Can a locality hire someone from the Technical assistance team, such as PlaceWorks, to implement the funded activity?	Yes. As long as a locality follows a procurement process as described in the standard agreement, an applicant is allowed to contract with any organization.
5.	When will the applicant receive the grant?	The program operates on a reimbursement model. Applicants can submit for reimbursement quarterly upon completion of the deliverables noted in section F of the application and in the standard agreement. Applicants do not need to wait until the approved activity is adopted or fully implemented to be reimbursed. Refer to section 601 in the guidelines for more information on reimbursement procedures.
6.	Can an applicant use a consultant that is already under contract by the jurisdiction?	Please refer to the standard agreement for more details on contracting.
7.	How will HCD be reviewing compliance with this program?	Compliance will be reviewed based on the completion of an applicant's deliverables, adoption of the planning document or implementation of the planning process, and through the final close out report.

8.	How long does an awardee have to expend the funds?	Funds must be expended by the end of the grant term period which will run from March 28, 2019 to June 30, 2022.
9.	For cities that need the California Coastal Commission's (CCC) approval, is approval needed prior to the June 30, 2022 expenditure deadline?	The grant funds need to be spent by June 30, 2022. The Coastal Commission approval process should be scheduled in the project timeline (and if possible finished) before the June 30, 2022 deadline. HCD encourages integrating CCC approval and early coordination in the project timeline and description.
10.	Can the funds be used to purchase hardware such as kiosks or software such as such as permitting software?	Yes, an awardee can use funds to procure equipment and software that results in a process improvement and demonstrates a nexus to accelerating production.
11.	What happens if a jurisdiction is not able to adopt the funded activity?	The Planning Grants Program was designed to fund activities that accelerate housing production and streamline housing approvals. Any funded activity must include a strong implementation component and where appropriate, needs to be formally adopted by the locality. Localities that do not formally adopt the funded activity could be subject to repayment of the grant. HCD encourages applicants to engage with local decision-makers before applying for the program and as part of the resolution process.
12.	What are the reporting requirements for awardees?	HCD may request a performance report but only intends to require reports under limited circumstances such as a lack of performance or progress in expending funds. Once the awardee has completed all funded activities identified in the standard agreement, the awardee will submit a final close-out report to HCD. You can find the close out reporting form as attachment 3 in the guidelines.
13.	Is the final close-out report the only required reporting document at the end of the grant period?	Yes.

Technical Assistance Program Questions

	QUESTION	ANSWER
1.	Is the Technical Assistance (TA) funding separate from the Planning Grants funding?	The TA funding is separate and in addition to the Planning Grants available to local governments.
2.	Is there a cost to utilizing the TA program?	TA is at no cost to the jurisdictions. Senate Bill 2 set-aside 5% for HCD, in coordination with the Governor's Office of Planning and Research (OPR), to develop a robust Technical Assistance program that will complement all local governments planning efforts.
3.	Where do I find technical assistance resources?	The technical assistance program has a separate webpage from the Planning Grants Program. The TA webpage is currently on HCD's website and will continually be updated with toolkits, best practices, and off-the-shelf resources.
4.	What does the TA program include?	The technical assistance program emphasizes the PPAs and includes two major activities: (1) assistance with applications (e.g., helping identify activities, answering questions, providing samples) and (2) ongoing technical assistance (e.g., consulting bench, peer to peer learning collaboratives, workshops, webinars) that will be regionally tailored and run through June 30, 2021. These activities will be complemented by off the shelf resources such as sample scopes of work and RFPs, and various tools such as model ordinances and development and design standards with an emphasis on PPAs.
5.	What is PlaceWorks role in the Technical Assistance Program?	In partnership with OPR, HCD has contracted with PlaceWorks to lead a team of consultants that will provide TA on a regional and statewide basis through June 30, 2021. The PlaceWorks team of consultants include PlaceWorks, Ascent Environmental, Provost & Pritchard, Institute for Local Government, PolicyLink, and Casamar Group.

6.	How can a jurisdiction receive Technical Assistance?	Technical Assistance is deployed on a regional level with liaisons representing 11 different regions throughout the state. A jurisdiction can directly contact their regional liaisons to request TA. For more information on contacting your regional liaisons, please visit the Planning Grants TA webpage at HCD website.